

## Message Text

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FOR SUVA PASS TO ASST SECY HOLBROOKE; PARIS FOR JACK MARESCA

E.O. 11652: N/A

TAGS: SOPN, XC, US

SUBJECT: JULY 7 EA PRESS SUMMARY

### 1. PACIFIC ISLANDS

EIGHTY-FIVE YRS OF BRITISH RULE ENDED FRI IN SOLOMON ISLES.  
SPEAKING IN PIDGIN ENGLISH, DUKE OF GLOUCESTER READ STATE-  
MENT GRANTING SELF-RULE. THEN 1ST PM PETER KENILORIA, 35,  
TOOK OATH OF OFFICE. AP'S O'LOUGHLIN SAYS FOCUS NEW GOVT  
IS ON LIFTING ECON FROM SUBSISTENCE LEVEL W/NEW CROPS OF  
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RICE/OIL PALM AND CATTLE BREEDING TO SUPPLEMENT INCOME  
FROM COPRA/TIMBER (WP/SUN).

### 2. CHINA

FOURTEEN-MEMBER US SCIENTIFIC DEL, LED BY FRANK PRESS,  
ARRIVED PEKING THURS FOR OFFICIAL VISIT, ACCORDING NCNA  
REPORT. DEL GREETED AT AIRPORT BY WOODCOCK/CHIANG NAN-  
HSIANG, SCIENTIFIC-TECHNOLOGICAL COMMISSION VICE-MIN/  
CHOU PEI-YUAN, ACADEMY OF SCIENCES'VICE-PRES (REUTER

PEKING 7/6).

JOC (HK) SAYS CCP CENTRAL CMTE HAS ISSUED DRAFT DECISION ON PROBLEMS IN SPEEDING UP DEVELOPMENT OF INDUSTRY, WHICH HAS

BEEN CIRCULATED TO ALL PROVINCE-LEVEL PARTY CMTES/PARTY GROUPS IN MINISTRIES AND COMMISSIONS FOR IMPLEMENTATION ON TRIAL BASIS. ANNOUNCEMENT SAID 30-POINT DECISION IS "POWERFUL WEAPON FOR EXPOSING AND CRITICIZING" GANG OF 4, AND FOR "DISPELLING CHAOS AND RESTORING ORDER."

WSJ'S CHIANG (HK 7/6) REPORTS PRC, IN "MAJOR ABOUT-FACE," HAS GIVEN BLANKET OK FOR ITS HK BANKS TO ADOPT "CAPITALIST METHODS" SO LONG AS THEY MAKE PROFITS.

ROC, IN ANNOUNCEMENT ISSUED THURS BY DEFENSE MINISTRY, REITERATED PREVIOUS STATEMENTS THAT IT "HAS NO PLAN TO BUY KFIR JETS FROM ISRAEL" (AP SUN, NYT; REUTER).

SUN'S AP VERSION CITES ADMIN SOURCES SAYING THURS THAT TAIPEI MOVE "WILL INTENSIFY PRESSURE" ON PRES CARTER TO DECIDE WHAT PLANES/HOW MANY US WILL SELL TAIWAN. REPORTS SOURCES, SPEAKING PRIVATELY, SAID ADMIN LEANING AGAINST/ UNCLASSIFIED

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ALL BUT RULED OUT SELLING ROC F-4'S WHICH CAN CARRY BOMBS INTO MAINLAND; PROBABLY WILL OFFER LESSER PKG OF F-5E'S. ADDED THAT THEY WERE NOT SURPRISED AT ROC DISDAIN FOR KFIR, SINCE PLANE ONLY MARGINALLY BETTER THAN F-53 WHICH TAIWAN ALREADY BUILDS UNDER CO-PRODUCTION ARRANGEMENT W/US; SWITCHING TO ISRAELI-MADE PLANE WOULD REQUIRE ROC ADJUST TO NEW SERIES OF SPECIFICATIONS/SPARE PARTS, MAKING ADJUSTMENT PROBLEM OUTWEIGH SLIGHT ADDITIONAL KFIR CAPABILITY. IN ADDITION, SOURCES SAID, ROC WOULD LIKE MAINTAIN CLOSEST POSSIBLE RELATIONSHIP W/US, PARTICULARLY ON MIL MATTERS.

ACCORDING NYT'S AP STORY, US OFFICIALS SAID ROC REJECTION OF KFIR "WOULD NOT GREATLY INTENSIFY PRESSURE" ON CARTER TO DECIDE WHAT PLANE/HOW MANY US WILL SELL TAIWAN.

### 3. HONG KONG

HK GENERAL CHAMBER OF COMMERCE DISCLOSED LAST WK THAT SHORTAGE OF FACTORY WORKERS HAS LED TO RENEWED CALL ON GOVT TO MODIFY LABOR LAWS SO WOMEN CAN WORK AT NIGHT IN INDUSTRY, SAME WAY THEY ARE PERMITTED DO SO IN US (JOC).

### 4. CHINA/VIETNAM

REUTER (HK 7/6) CARRIES "FAR EASTERN ECONOMIC REVIEW" REPORT THAT PRC HAS INCREASED PATROLS ALONG ITS FRONTIERS W/VN/CANCELLED MIL LEAVE IN AREA. MAG SAID TENSION BETWN

2 HIGHER THAN EVER W/MANY TROOPS DEPLOYED ALONG THEIR BORDERS/SHIPS/AIRCRAFT PATROLLING GULF OF TONKIN. QUOTES W ANALYSTS THAT PRC INCREASING ITS MIL STRENGTH ALONG BORDER IN KWANGSI/KWANGTUNG PROVINCES/MOVING SHIPS FROM

CAN;ON TO HAINAN ISLE/INCREASING RECONNAISSANCE FLIGHTS OVER GULF.

MEANWHILE, PRC BLAMES DELAY TO READMIT ETHNIC CHINESE  
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FROM VN ON "MANY OBSTACLES" CREATED BY VIETS. NCNA REPORTS PROBLEM DEADLOCKED BECAUSE SRV NOT ONLY "PLAYED FOR TIME" IN NEGOTS BUT ALSO BLAMED CHINESE FOR STALLED NEGOTS. ALSO SAID MANY OVERSEAS CHINESE HAD BEEN "SECRETLY ARRESTED" OR "DISAPPEARED" SOON AFTER THEY APPLIED/OBTAINED REPATRIATION PERMITS FROM CHINESE EMB IN HANOI. REUTER (HK 7/5) NOTES 2 SIDES HAVE REPORTED DIFFERENTLY ON NEGOTS, EACH BLAMING OTHER FOR DELAY: RADIO HANOI ANNOUNCED 10TH SESSION HELD WEDS WHILE PRC SAID 11TH SESSION HELD MONDAY. WHILE TALKS DRAGGED ON, NOTES 2 CHINESE SHIPS SENT TO PICK UP CHINESE STILL ANCHORED OFF VIET WATERS.

##### 5. VIETNAM/CAMBODIA

UNDER TITLE "GENOCIDE IN CAMBODIA," "NHAN DAN" HAS BEGUN SERIALIZED FEATURE ON "ATROCIOUS HUMAN TORTURES" AS DESCRIBED BY CAMBODIAN REFUGEES WHO HAVE FLED INTO VN. PAPER ALSO RAN PHOTOS THAT PURPORTED TO SHOW COMPULSORY WEDDING/FORCED LABOR/CAMBODIAN SOLDIERS ABOUT TO KILL TRUSSED CIVILIANS W/HOES. INITIALS SUBSTITUTED FOR FULL NAMES OF REFUGEES INTERVIEWED TO PROTECT FAMILIES. QUOTED ONE REFUGEE WHO SAID FORCED GROUP WEDDING HELD EVERY 3 MONTHS IN HER VILLAGE, THAT THEY WERE FORCED WORK ALL DAY EVERY DAY W/O WAGES/HOLIDAYS/ALLOWANCES SO THAT NOTION OF TIME DISAPPEARED/ THEY HAD ONLY MOON TO GUESS DAY OF MONTH. QUOTES ANOTHER WHO SAID HE PERSONALLY WITNESSED DEATH/ COLLAPSE OF 600 CAMBODIANS ON MARCH FROM PP TO TAKEO TO PREY VENG IN '75. STILL ANOTHER SAID IMAGE TO TYPIFY PRESENT REGIME WOULD BE "HOE IMBEDDED IN THE SKULL OF A CIVILIAN" (WU, SUN HK).

##### 6. JAPAN UNCLASSIFIED

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AT 7/6 WASHINGTON BREAKFAST MEETING, STRAUSS TOLD REPORTERS JAPAN MUST OPEN ITS BORDERS TO INCREASED IMPORTS US AGRIC GOODS. REVERSED EARLIER OPTIMISTIC FORECAST, SAYING WOULD BE VIRTUALLY IMPOSSIBLE

PRODUCE GENERAL AGREEMENT AT GENEVA TRADE TALKS IN TIME FOR PRESENTATION AT BONN SUMMIT. STATED JAPAN/EUR "HAVENT SATISFIED OUR NEEDS BY A LONG WAY" (LAT'S ROSENBLATT 7/6).

JOC'S CULLISON (TOKYO) REPORTS USHIBA TOLD FUKUDA THURS THAT ATTEMPTS TO WORK OUT AGREEMENT ON JAPANESE

IMPORTS OF MORE US AGRIC PRODUCTS MUST BE CONTINUED UNTIL LATE THIS YR, DUE US' TOUGH ATTITUDE. TRADE MIN REPORTEDLY WILL ARRIVE GENEVA W/O ANY OFFER TO INCREASE US FARM IMPORTS.

JOC ITEM NOTES JAPAN HAVING DIFFICULTY GIVING AWAY 2,500 SQ METERS OF SPACE FOR DEVELOPED COUNTRIES TO PROMOTE THEIR WARES IN TOKYO'S WORLD IMPORT MART, SCHEDULED OPEN IN OCTOBER. SO FAR, ONLY US HAS ACCEPTED OFFER, W/EUR BUSINESSMEN/DIPLOMATS DOUBTING BUYERS WOULD TRAVEL 20-MIN SUBWAY RIDE FROM TOKYO TO IKEBUKURO IMPORT MART BUILDING.

SCOTT-STOKES (NYT TOKYO) FINDS JAPAN/USSR PREDICTING BOOMING BILAT TRADE, DESPITE TENSIONS BETW THEM. CITES SEVERAL BONES OF CONTENTION, INCL KURILE ISLANDS DISPUTE/JAPAN-PRC PEACE TREATY/FISHING NEGOTS. ALSO NOTES THAT DUE FACT JAPAN IS LARGEST CAPITALIST NATION TRADING W/USSR, JAPANESE SELF-CONFIDENCE/INCLINATION ACT INDEPENDENTLY OF GREAT POWERS HAS BECOME MORE EVIDENT.

HARD-HIT BY DOMESTIC BUSINESS RECESSION/DOLLAR  
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DEPRECIATION, MITSUI MINING/SMELTING PLANS LAY OFF SOME 2,200 WORKERS NEXT MONTH (UPI, JOC).

FON AUTO SALES IN JAPAN INCREASED 30.1 PCT OVER LAST YR, ACCORDING JAPAN AUTO IMPORTERS ASSN (UPI, JOC).

## 7. KOREA

IN SPEECH FOLLOWING HIS RE-ELECTION 7/6, PRES PARK CLAIMED HIS TENURE HAD BROUGHT SK FROM CHAOS TO STABILITY/PROSPERITY, ATTRIBUTED SUCCESS TO "GRAND REFORMS OF NATIONAL SALVATION." WP'S CHAPMAN (SEOUL) SAYS MANY OBSERVERS IN SK BELIEVE GREATEST DANGER FACING PARK NO LONGER REVOLT OF POL DISSIDENTS, BUT RISING IMPATIENCE OF WORKERS IN SK'S BOOMING FACTORIES. NOTES RECENTLY, SEVERAL INDUSTRIAL PLANTS HAVE BEGUN INFORMAL STRIKES, DEMANDING HIGHER WAGES/BETTER WORKING CONDITIONS. IN SPEECH, PARK SAID PROSPERITY HAS CREATED "ENORMOUS GAP" IN NATL STRENGTH BETW

SK/NK, ADDING, "THIS NEW SITUATION SHOULD HAVE THE EFFECT OF HASTENING THE REUNIFICATION OF THE NATION."

IN SEPARATE ITEM, CHAPMAN REPORTS THAT AT LEAST 190 HIGH-ECHELON ROKG OFFICIALS UNDER INVESTIGATION FOR HAVING BOUGHT SCARCE SEOUL APTS AT VERY LOW PRICES FROM SK'S HYUNDAI GROUP. GOVT SEEKING DETERMINE

WHETHER APTS OFFERED AS BRIBES, OR WHETHER SOME OFFICIALS MAY HAVE SOLICITED THEM W/OFFERS OF FAVORABLE BUREAUCRATIC TREATMENT.

#### 8. AUSTRALIA

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WP'S BABCOCK NOTES ATTY GEN BELL WILL DEPART MONDAY FOR 3-WK AUSTRALIA/NZ TOUR. STATES TRIP IS AMB ALSTON'S "BRAINCHILD"/WILL INCLUDE STOPOVERS IN CANBERRA/SYDNEY/MELBOURNE/TASMANIA. ALSO SAYS BELL BRIEFED LAST FRIDAY BY EA'S HOLBROOKE ON LIKELY TOPICS OF INTEREST TO AUSTRALIANS, INCL REFUGEES/INTL ANTITRUST MATTERS/AUSTRALIA'S ALLEGED ROLE IN INTL URANIUM CARTEL (7/6).

DARWIN DOCK WORKERS WALKED OFF JOBS 7/7 WHEN US NAVY NUKE-POWERED GUIDED MISSILE CRUISER "BAINBRIDGE" SAILED INTO PORT PAST SMALL, ANTI-NUKE PROTEST FLOTILLA. WORKERS SAY THEY WILL NOT RETURN UNTIL SHIP LEAVES 7/12 (REUTER DARWIN).

#### 9. THAILAND

ACCORDING REUTER (BANGKOK), US CONGRESSIONAL DEL, IMPRESSED BY RTG'S NARCOTICS SUPPRESSION EFFORTS, PLEDGED FRI TO SEEK CONGRESSIONAL APPROVAL FOR CONTINUED AID TO FIGHT DRUG TRAFFICKING IN THAILAND. QUOTES PM KRIANGSAK WHO TOLD REPORTERS AFTER MTG W/DEL THAT CONGRESSMEN WERE SATISFIED W/RTG'S INTERCEPTION OF 660-880 LBS NARCOTICS IN 1ST 6 MONTHS OF YR. FIVE-DAY CONGRESSIONAL TOUR INCLUDED VISITS TO CHAING MAI PROVINCE, WHERE CROP SUBSTITUTION PROGRAM IN OPRN. SAYS CONGRESSMEN EXPRESSED INTEREST IN GOVT'S ASSISTANCE TO HILL TRIBESMEN W/THIS PROGRAM.

THAI COMMUNIST PARTY'S CLANDESTINE RADIO STATION HAD WORDS OF PRAISE FOR US ON JULY 4, MIXED "WITH GOOD OLD-FASHIONED MARXIST DOGMA." UPI (BANGKOK, WP 7/6) QUOTES BROADCAST: "STRUGGLE FOR INDEPENDENCE AND DEMOCRACY STANDS AS A FINE TRADITION THAT IS AIMED AT PROVIDING A BETTER LIFE AND SOCIETY IN WHICH PEOPLE CAN TRULY BE MASTERS OF THE LAND" BUT RTS "CLAIMED TO HAVE COME FROM ELECTIONS ARE MERELY TRICKS OF THE MONOPOLIST CAPITALISTS." CONTENDED US

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WORKERS STILL LIVING IN "ABJECT PROVERTY."

10. SINGAPORE

PRES SINGAPORE TEXTILES/GARMENT MFGRS ASSOC D"RIES  
ACCUSATIONS THAT SINGAPORE ILLEGALLY SUBSIDIZING TEXTILE  
EXPORTS TO US, CALLING ALLEGATIONS OF AMER TEXTILES WORKERS

UNION "GROUNDLESS ACCUSATION" (UPI SINGAPORE, JOC 7/6).

COMMENT AND ANALYSIS

11. CHINA

TORONTO GLOBE AND MAIL'S FRASER (PEKING) NOTES PRC'S  
DECISION TO PUBLISH HITHERTO SECRET '62 SPEECH (THO KNOWN  
TO WEST) IN WHICH MAO CRITICIZED SELF FOR PAST FAILINGS/  
SHORTCOMINGS. CITES WIDESPREAD COVERAGE GIVEN SPEECH,  
BROADCAST NATIONWIDE, PRINTED IN TYPE THREE TIMES NOMAL  
SIZE. NOTES ALMOST TOTAL AGREEMENT AMONG FON ANALYSTS/  
DIPLOS/INSIDERS THAT SOMETHING BIG AFOOT, THO NO ONE QUITE  
SURE WHAT. SPECULATES PUBLICATION OF SPEECH, WHICH CALLS  
FOR LENIENCY WHEN DEALING W/INTERNAL PARTY DISPUTES, COULD  
HERALD LARGE PURGES OF RADICALS OR MAJOR SHIFT IN TOP  
LEADERSHIP FOLLOWED BY CHANGES IN IDEOLOGICAL DIRECTION  
MORE STARTLING THAN THOSE EMERGING SINCE DOWNFALL OF "GANG  
OF 4."

FRASER SAYS PRINTING OF MAO SPEECH MAKES CLEAR SEVERAL  
EARLIER SEEMINGLY DISCONNECTED ARTICLES: ONE POSTHUMOUSLY  
REHABILITATING FORMER SHANGHAI MAYOR TSAO TI-CHAU; ONE  
REFERRING TO MEMBERS OF GANG OF 4 AND LIN PIAO AS "CHINA'S  
KHRUSHCHEV," PHRASE ALWAYS NORMALLY ASSOCIATED W/LIU; AND  
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ONE ATTACKING UNNAMED LEADING OFFICIALS WHO CONTINUED RESIST  
SEEING NATURE OF OWN PERfidY IN PERIOD IMMEDIATELY BEFORE  
MAO'S DEATH, INCLUDING ONE STILL HOLDING HIGH OFFICE.

BUT, FRASER SAYS, IMPACT OF THESE NOTHING IN COMPARISON W/  
MAO SPEECH. CONCLUDES BY NOTING THAT AS "NEW" MAOIST  
RHETORIC POURING FORTH, WORTH REMEMBERING THAT MAO'S  
PRINCIPAL HEIR/"LITERARY EXECUTOR" IS CHAIRMAN HUA (CSM  
7/6).

WSTAR EDIT (7/5) ON "PLAYING CHINA CARD" SUGGESTS THAT EVEN  
IF US NEGLECTS PEKING, USSR/PRC UNLIKELY TO HEAL SPLIT.  
DISPUTES NOTION THAT "PLAYING CHINA CARD" NEAR NECESSITY

FOR US. ADVISES US JUDGE CLEARLY WHAT BENEFITS WOULD ACCRUE FROM MAKING CONCESSIONS TO PEKING. SAYS IF TAIWAN IS PRICE FOR FULL RELATIONS W/PRC, "EXCHANGE OF AMBASSADORS MAY NOT BE WORTH WHAT IT COSTS." CALLS COMMITMENT TO ROC "ALMOST THE LAST MAJOR EVIDENCE OF OUR WILL TO REMAIN A PRESENCE IN ASIA." THIS IS "A LOT TO HAZARD," ESPECIALLY WHEN TANGIBLE BENEFITS HARD TO SEE, SAYS STAR.

STLP-D'S DEAKIN SAYS MAJOR QUESTION IN US-USSR-PRC RELS IS WHETHER CURRENCT AMIABILITY BETWN WASHINGTON/PEKING CALCULATED TACTIC TO PUT PRESSURE ON SOVIETS TO GET OUT OF

AFRICA, OR IS PROCESS OF STEADY IMPROVEMENT IN RELS ON VERGE OF PRODUCING SOMETHING DRAMATIC, SUCH AS CARTER CHINA TRIP/RESOLUTION OF TAIWAN QUESTION/OR ESTABLISHMENT DIPLO RELS. BUT CITES CHINA SPECIALISTS WHO SAY NONE OF THESE DEVELOPMENTS IMMINENT--WHICH LEAVES, DEAKIN SAYS, IMPLICATION THAT MAIN IDEA RIGHT NOW IS PUT PRESSURE ON RUSSIA. QUOTES FORMER STATE DEPT OFFICIAL/CHINA EXPERT IN SUPPORT OF LATTER VIEW.

NOTING NO INDICATION THAT PEKING HAS CHANGED ITS DEMANDS, DEAKIN SAYS US/PRC "TIPTOEING" AROUND TAIWAN QUESTION, UNCLASSIFIED

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EMPHASIZING TRADE/SCIENTIFIC, TECH, CULTURAL EXCHANGES. THINKS PRC, FOR WHATEVER REASON, HAS DECIDED PUT NORMALIZATION QUESTION ON BACK BURNER FOR A WHILE TO CONCENTRATE ON ABOVE OBJECTIVES (7/2).

LAT EDIT (7/5) CALLS "CHINA CARD" A "RISKY GAME." DOUBTS IT WILL INDUCE MOSCOW BE MORE CONCILIATORY TOWARD US. SAYS WOULD BE MISTAKE TO VIEW STRENGTHENED US-CHINA TIES AS ANTI-SOVIETISM. THINKS US MUST BE CAREFUL AVOID ENDORSING THIS IDEA. THO OUR RELS W/USSR ARE INDEPENDENT OF "CLEAR INTERESTS" US HAS IN POLICY OF "CLOSER COOPERATION/FRIENDSHIP W/CHINA," LAT BELIEVES US MUST TAKE SOVIET FEARS INTO CONSIDERATION IN EFFORTS IMPROVE US-CHINA RELATIONS.

WP'S MATHEWS (HK) SAYS PEKING'S DECISION TO ALLOW FOUR AMERICAN SOCIAL SCIENTISTS TO MAKE UNPRECEDENTED HOUSE-TO-HOUSE SURVEY OF SMALL PEASANT COMMUNITY INDICATION OF NEW CHINESE INTEREST IN USING WESTERN ACADEMIC TECHNIQUES TO UNDERSTAND BETTER COUNTRY'S VAST POPULATION.

A YANOV (SOVIET EXILE, NOW UC BERKELEY PROF) WRITES IN LAT (7/6) THAT PLAYING OF "CHINA CARD" POSES STRATEGIC DANGER TO US OF CREATING NEW "GREAT TRIANGLE." FIRST SUCH TRIANGLE (WEST-MOSCOW-BERLIN) BUILD-UP OF PRC WOULD ENCOURAGE ALREADY PARANOID USSR PERCEIVE ITSELF IN SAME SITUATION AS NAZI GERMANY IN '30S--BETWN "TWO FIRES, FACED

W/NEED TO FIGHT ON TWO FRONTS." THO NO ONE CAN PREDICT HOW SOVIETS MIGHT ACT, HE SAYS, NO ONE CAN RULE OUT REACTION SIMILAR TO GERMANY'S.

YANOV EXPLAINS THAT SOVIET REGIME UPHELD BY SUCCESSFUL MERGER OF WELFARE SOCIALISM W/RUSSIAN NATIONALISM, PUSHING UNCLASSIFIED

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USSR TOWARD SAME DISASTROUS PHILOSOPHY OF '30S GERMANY-- NATL SOCIALISM. WHY ABET USSR'S MOVE TOWARD SUCH POSITION, YANOV ASKS. CONCLUDES THIS DOES NOT MEAN US SHOULD NOT WARM TO CHINA, BUT WARNS IT IS DANGEROUS PLAY "DIPLOMATIC CARD GAMES" W/O CLEAR, PRECISE STRATEGIC GOAL/W/O ABSOLUTE

AWARENESS OF WHAT CAN BE WON/LOST.

LAT'S L MATHEWS (7/3) REPORTS CHINA HAS BEGUN PROMOTE FAST FOODS, INCLUDING INSTANT RICE, AS "KEY TO COUNTRY'S ECON SALVATION." THREE PART "PD" SERIES ADVISES READERS ABANDON TRADITIONAL HOMEMADE DISHES IN FAVOR OF CONVENIENCE FOODS SUCH AS DEHYDRATED RICE, MASS-PRODUCED NOODLES, READY-FOR-WOK PKGED DINNERS AS MEANS TO LIBERATE WORKERS FROM TIME-CONSUMING HOUSEHOLD CHORES. MATHEWS QUOTES SERIES AS ASSERTING THAT EVEN CHINESE MIL PREPAREDNESS WOULD BENEFIT BY INCREASING MOBILITY OF SOLDIERS WHO WILL NO LONGER NEED CARRY WOKS AS THEY MARCH TO DEFEND AGAINST "SOVIET SOCIAL-IMPERIALISM." RESTAURANTS, WHOSE NUMBERS HAVE BURGEONED AS BUSY WORKERS NO LONGER HAVE TIME PREPARE MEANS AT HOME, FREEING THEIR WORKERS FOR OTHER SECTORS OF CHINA'S ECON.

BOTH NYT/SUN RUN EDITS PRAISING UN DISARMAMENT SESSION'S DECISION TO ENLARGE GENEVA CMTE TO 37 MEMBERS W/ROTATING CHRMSHIP AS MEANS ENCOURAGE PARTICIPATION CHINA/FRANCE, WHO RESENTED SUPERPOWER DOMINATION AT GENEVA.

NYT'S KISSELGOFF REVIEWS MET PERFORMANCE OF PRC PERFORMING ARTS CO. CALLS IT EVENING OF SPECTACULAR, LESS SPECTACULAR MOMENTS W/SPECIAL PRAISE FOR PEKING OPERA; BILL MIXTURE OF OLD/NEW, COMPROMISE, OSTENSIBLY "LESS POLITICAL PROGRAM." BUT SAYS VARIETY OF PROGRAM MAKES FOR POL STATEMENT, NONE-THELESS. SAYS PROGRAM CAREFULLY AIMED AT SYMBOLIZING RECENT PRC CULTURAL THAW. NOTES MANY ITEMS, ARTISTS RESURRECTED FROM PAST.  
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M STANTON EVANS (HUMAN EVENTS 7/1) SAYS "IN NOW FAMILIAR PATTERN OF OUR DIPLOMACY, WE ARE MOVING TO APPEASE OUR ENEMIES BY INFILCTING INJURY ON OUR FRIENDS" AS US MOVES RECOGNITION OF PRC, AWAY FROM TAIWAN. CALLS BRZEZINSKI

ARRIVAL IN PEKING ON DAY OF CCK'S INAUGURATION "OBVIOUS SLAP AT FREE CHINA." SAYS EQUALLY BAD ARE "HUMILIATIONS TO WHICH FREE CHINESE ARE SUBJECTED HERE IN WASHINGTON." SAYS CARTER ADMIN HAS "DONE EVERYTHING IN ITS POWER TO SNUB/HUMBLE THE ANTI-COMMUNIST CHINESE/PLAY UP TO THEIR COMMUNIST COUNTERPARTS." CONCLUDES CARTER ADMIN GAMBLING THAT "THERE IS NO LONGER A POLITICAL CONSTITUENCY...FOR GLOBAL ANTI-COMMUNISM"/THAT CONGRESS, "WHICH IN THE PAST HAS RESISTED SUCH BLATANT BETRAYALS OF OUR ALLIES," WILL APPROVE ABROGATION OF MUTUAL DEFENSE TREATY W/TAIWAN.

#### 12. CHINA/JAPAN

CSM'S MORITZ (7/6) SEES RESUMPTION PRC-JAPAN TREATY NEGOTIATIONS NOT ONLY LEADING TO WARMER BILATERAL RELATIONS, BUT ALSO AS STRENGTHENING TRADE/POL TIES AT TIME WHEN PRC SEEKS BUILD ITSELF UP AGAINST USSR. NOTES TREATY'S CONCLUSION DEPENDENT ON 2 BASIC FACTORS: HOW FAR FUKUDA WILLING GO IN ORDER TO CONCLUDE AGREEMENT--WHICH MAY BE NEEDED POLITICALLY IN ORDER TO SAVE HIS PM POST; HOW WILLING PRC IS TO COMPROMISE ON ANTI-HEGEMONY CLAUSE. ALSO REMARKS US INTEREST IN SPEEDING NORMALIZATION W/PRC IS THOUGHT TO BE FACTOR, W/US ENCOURAGING JAPAN TO CONCLUDE TREATY RAPIDLY.

#### 13. KOREA

SUN EDIT OFFERS LITTLE OPINION ON ITS THEME--NK'S UNCLASSIFIED

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INVITATION FOR SK TEAM TO PLAY AT WORLD PING-PONG CHAMPIONSHIPS IN PYONGYANG NEXT APRIL. FINDS "SOMETHING IS UP" IN NK, AS KIM'S SON HAS DROPPED FROM SIGHT/RUMORED WOUNDED IN ASSASSINATION ATTEMPT. AS RESULT, SUN SAYS, "DYNASTIC SUCCESSION" IN WHAT WAS TO BE COMMUNISM'S 1ST "HEREDITARY MONARCHY" NOW IN DOUBT, W/NEW PROVISIONS FOR FUTURE IN ORDER. REMARKS NK'S PING-PONG "INVITATION LIST" SCRUTINIZED W/FASCINATION--"UNTIL A BETTER GAME COMES ALONG."

#### 14. TRADE

NYT EDIT SEES "LITTLE BEYOND PUBLIC RELATIONS MANEUVERS" RESULTING FROM BONN ECON SUMMIT. IN FACT, SAYS IT WILL BE FORTUNATE IF PERSONAL/DIPLOMATIC IRRITATIONS NOT EXACERBATED BY SUMMIT. BELIEVES REAL PROGRESS WILL COME ONLY WHEN MAJOR PARTNERS--US/FRG/JAPAN/FRANCE--CONFRONT NOT EACH OTHER, BUT THOSE POLITICALLY DIFFICULT DOMESTIC OBSTACLES TO INT'L COOPERATION.

BALZ (WP) SEES FARM PRODUCTS IMPORTS AS KEY IN INT'L TRADE TALKS. NOTES STRAUSS HAS MADE DELIBERATE/CALCULATED

EFFORT PROD EUR/JAPAN INTO IMPORTING LARGER NUMBERS  
US FARM PRODUCTS IN ORDER MAKE ANY TRADE AGREEMENT  
MORE PALATABLE TO CONGRESS. HOWEVER, NOTES JAPANESE  
RESPONSE TO OVERTURES, ACCORDING STRAUSS, "WENT ONLY  
ABOUT ONE-TENTH AS FAR" AS EXPECTED.

15. PHILIPPINES

LAT'S MCARTHUR (MANILA 7/5) OBSERVES BICKERING HAS BEEN  
MOST VISIBLE CHARACTERISTIC OF NEW PHIL NATL ASSEMBLY.  
SAYS IF ASSEMBLY IS TO LEAD NATION TO DEMOCRATIC NORMALCY  
AS MARCOS PROMISED, "PACE PROMISES TO BE SLOW." FINDS IT  
CLEAR THERE WILL BE LITTLE, IF ANY, SIGNIFICANT DEBATE,  
SINCE MARCOS HAS IMPOSED RIGOROUS PROCEDURAL RULES. PRES  
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ALSO AGREED TOURISM CMTE SHOULD BE LARGEST IN ASSEMBLY--31  
MEMBERS; 91 MEMBERS ASKED SEATS ON "SEEMINGLY UNIMPORTANT"  
CMTE BECAUSE IT PROMISED SUPPLY OF EXPENSE-PAID JUNKETS"/  
WAS CMTE "LEAST LIKELY TO UPSET" MARCOS.

MCARTHUR SAYS IMELDA, AS SUPER CABINET MIN/DISPENSER OF  
FUNDS, WILL HAVE POWER IN NEW ASSEMBLY/CAN ACT INDEPEND-  
ENTLY OF HUSBAND IN ELECTED POST IF SHE CARES TO.  
QUOTES POL OBSERVERS WHO EXPECT HER LINE UP VOTES/INFLUENCE  
FOR HER FAMILY/HERSELF, SINCE ASSEMBLY WILL HAVE ROLE TO  
PLAY IN EVENT OF MARCOS' DEATH. NOTES MARCOS HAS PROVIDED  
FOR SUCCESSION W/SEALED/SECRET DECREE SETTING UP INTERIM  
CMTE, PRESUMABLY INCL IMELDA. OBSERVERS, HOWEVER,  
LEGALITY OF SUCH DECREE IS WIDELY QUESTIONED--THAT, SHOULD  
MARCOS DISAPPEAR, NEW ASSEMBLY MIGHT ATTEMPT WRITE OWN  
RULES. UP TO NOW, HOWEVER, NOTES NONE OF ASSEMBLYMEN HAS  
PROPOSED NEW LEGISLATION OR INTRODUCED BILL.

16. VIETNAM

CHITRIB'S (7/6) KILIAN OPNES US SHOULDN'T BE HAVING  
FIGHT VN WAR ALL OVER AGAIN. WHENEVER SITUATION ARISES IN  
WHICH US MIGHT HAVE POSSIBLE MIL INTERESTS, SAYS WAILING  
RESPONSE IS SAME: "ANOTHER VIETNAM." CRITICIZES TV  
CORRESPONDENT ROBIN WRIGHT AS MOST RECENT EXAMPLE THIS  
SYNDROME WHEN HE LIKENED US HELP IN ZAIRE RESCUE MISSION  
TO US INVOLVEMENT IN VN. CONTENDS SAME CRITICISMS OF  
VIET GOVT COULD BE LEVELED AGAINST USG/LOCAL GOVTs.

KILIAN ARGUES THAT US PURPOSE IN VN, UNLIKE SO MANY US  
WARS, WAS QUITE DECENT--"TO PREVENT PRECISELY WHAT HAS  
OCCURRED SINCE WE LOST." SAYS SHABANS/ANGOLESE/RHODESIAN  
PATRIOTIC FRONT CONTINUE THEIR SLAUGHTER, BUT, "SECURE  
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WITH OUR 'LESSONS FROM VN,' WE NEED NOT CARE."

FORMER AID ECONOMIST IN CAMBODIA/VN, ROBT BROWNE, PRES OF BLACK ECON RESEARCH CENTER, SAYS MOST NOTICEABLE CHANGES IN VN ARE MARKED REDUCTION IN POL/MIL PERSONNEL/DIS-APPEARANCE SHOP/STREET MERCHANTS. SAYS THERE IS NEAR ABSENCE OF ENGLISH-SPEAKERS/FREE MRKT. FREE MRKT REPLACED BY GOVT-OPERATED SHOPS/RATIONING OF COMMODITIES DEEMED

NECESSITIES/PRICE-FIXING (NYT 7/6).

IN LENGTHY WSJ PIECE, KRAMER (BANGKOK) NOTES SRV HAS MAINTAINED 2 JUGGLING ACTS IN ITS FON RELS SINCE '75: ACTIVELY SEEKING W AID/INVESTMENT AND MANAGING KEEP PRC/USSR AT ARM'S LENGTH BY PLAYING ONE AGAINST OTHER. CON-TENDS THAT UNTIL RECENTLY SRV HAS ALWAYS BEEN CAREFUL ABOUT CHINA'S FEELINGS, TURNING DOWN REPEATED SOVIET REQUESTS TO USE FORMER US MIL BASES IN SVN, SINCE CHINA FEARS ENCIRCLE-MENT BY RUSSIANS. UNTIL LAST MONTH, SAYS HANOI DECLINED JOIN COMECON IN DEFERENCE TO PEKING'S SENSITIVITIES.

IN RECENT MONTHS, HOWEVER, KRAMER OBSERVES SRV'S JUGGLING ACT "SEEMS TO HAVE GONE ALL THUMBS." OPINES RELS W/PRC ARE APPROACHING BREAKING POINT/BORDER WAR W/CAMBODIA/ECON RECOVERY SETBACKS MAY HAVE CAUSED VN DEPEND MORE OPENLY/HEAVILY ON RUSSIANS. NOTES SRV'S DOMINANT POSITION IN LAOS HAS PAVED WAY FOR 600 RUSSIAN ADVISERS WHO TRAIN MIL/RUN CIVIL AVIATION/"GENERALLY MIFF THE CHINESE."

KRAMER CONTENDS, HOWEVER, THERE IS NO EVIDENCE VIETS HAVE GIVEN IN TO SOVIET COAXING FOR USE OF CAM RAHN BAY/OTHER US BASES; IF VIETS ALLOW SOVIETS SET UP SHOP, CHINESE APT REACT STRENUOUSLY/US/ASEAN STATES WOULD BE VEXED. CONCLUDES LOGICAL TO ASSUME VIETS WOULD NOT WELCOME ANOTHER FON MIL PRESENCE IN COUNTRY.

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KRAMER SAYS SEASIAN NON-COMM STATES, ONCE FEARFUL OF VIET EXPORT OF COMMUNISM, NOW SEE DEEPENING HOSTILITY AMONG COMMUNIST NATIONS AS MOST SERIOUS THREAT TO SEASIA STA-BILITY. QUOTES SINGAPORE LEADER THAT SEASIA HAS BECOME "BATTLEGROUND FOR VARIETIES OF COMMUNISM." NOTES, HOWEVER, THAT JAPAN, AMONG OTHERS, URGING US ESTABLISH RELS W/SRV/GRANT IT AID, SINCE SUCH ASSISTANCE WILL HELP STABILIZE REGION AND W/O IT SRV CAN'T AVOID ALIGNING POLICIES FURTHER IN FAVOR OF USSR.

17. GENERAL

NYPOST EDIT (7/4) CASTIGATES US FOR NOT ADHERING TO SINGLE

STANDARD RE HUMAN RTS. STATES WE HAVE NOT PRESSED "OUR PUTATIVE ALLIES"--LIKE PHILS/SK--VERY STRENUOUSLY TO MODIFY REPRESSIVE POLICIES. ALSO SAYS US HAS MANAGED "OVERLOOK TOO BLANDLY" HR VIOLATIONS COMMITTED BY "SUCH NEW FOUND FRIENDS" AS PRC. OPINES COMPLEXITY OF DIPLOMACY TOO OFTEN BECOMES "RATIONALE FOR SELECTIVE PROTEST."

JACK ANDERSON (WP) CITES "SECRET" CIA PAPERS WHICH REPORTEDLY IDENTIFY FON GOVTS THAT DELIBERATELY FOSTER SPREAD OF TERRORISM. LIST INCLUDES PRC, WHICH ANDERSON SAYS SUPPLIED SECRET ARMS TO TERRORISTS WHO OPERATE IN NUMEROUS TROUBLE SPOTS--LIKE S AFR. ALSO SAYS NK SHIPS ARMS TO VARIOUS TERRORIST OPERATIONS/CONDUCTS TRAINING CENTER FOR GUERRILLAS. VANCE

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